

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

☐

DATE

August 21, 2019

MOTOR CARRIER MATTER

☐

DOCKET NO.

2019-241-EG

UTILITIES MATTER

☒

ORDER NO.

SUBJECT:

[DOCKET NO. 2019-241-EG](#) - Petition of Dominion Energy South Carolina, Incorporated for an Accounting Order Related to the Installation of Advanced Metering Infrastructure – Staff Presents for Commission Consideration the Petition for an Accounting Order Related to the Installation of Advanced Metering Infrastructure, Filed on Behalf of Dominion Energy South Carolina, Incorporated.

COMMISSION ACTION:

Dominion has filed a petition seeking an accounting order authorizing it to:

1. Defer as a regulatory asset the incremental depreciation expense, property taxes and amortization of implementation costs of associated software incurred in connection with the installation of Advanced Metering Infrastructure ("AMI") for its retail electric customers,
2. Record carrying costs on the balance in the deferred cost regulatory asset at its embedded cost of long-term debt,
3. Reclassify the carrying value of the existing electric meters being replaced to an electric unrecovered plant regulatory asset account, to be included in the Company's rate base consistent with the current treatment for this investment, upon their retirement,
4. Reclassify the carrying value of the existing gas meter Encoder Receiver Transmitters ("ERT") devices being replaced to a gas unrecovered plant regulatory asset account, to be included in the Company's rate base consistent with the current treatment for this investment, upon their retirement and
5. Amortize the unrecovered plant regulatory asset accounts over the estimated composite remaining lives of the replaced meters and ERT devices, respectively.

Dominion states that it serves over 736,000 customers in 24 counties covering nearly 16,000 square miles in central, southern and southwestern portions of South Carolina. The utility asserts the efficiencies the it expects from AMI are shorter outage restoration response times, reduction of truck rolls to read, disconnect and reconnect meters, lower contact center volume, enhanced employee and customer safety, and theft detection through tamper alerts and analytics.

The utility further asserts the installation of AMI will enable customers to take greater control over their energy usage through control of the due date of their bill, allow interaction with web-based energy usage analyzers, provide alerts based on energy usage for customer determined targets/thresholds, place same day or real time customer service requests, and provide enhanced communications during outages. The Company also it expects that AMI will allow more precise system planning and grid optimization, predictive maintenance, and rate modeling.

ORS has reviewed the proposal and does not object to the Company's request for accounting order for

certain incremental costs associated with the Company's AMI investments. ORS's position is predicated on the basis that issuance of an accounting order does not preclude the ORS, the Commission, or any party from addressing the reasonableness of these costs, any return sought, including any carrying costs, in a subsequent general rate case or other proceeding. In addition, ORS recommends that the amortization expense shall be at the level of depreciation currently approved in rates until the Company's next general rate case.

In its letter, ORS makes several recommendations:

1. Dominion offer residential and non-demand customers the ability to "opt-out" – these customers would, instead, have a meter where energy usage would not be communicated via radio frequency. Any costs for an alternative metering arrangement would be paid by the customer opting out. This option should be available to customers at the same time Dominion deploys AMI.
2. ORS also recommends that Dominion consider a medical waiver for the fees associated with the "opt-out" option, consistent with those recently approved for Duke Energy Carolinas, LLC and Duke Energy Progress, LLC.
3. Lastly, ORS recommends that Dominion file a Customer Education Plan.

The Company represents it has no objection to the recommendations of ORS. Dominion commits to making an opt-out option, including provisions for medical waiver for opt-out fees, available to certain customers prior to AMI deployment. The Company also commits to filing a Customer Education Plan within 90 days of the Commission's approval of the Company's petition. The Customer Education Plan will provide specific detail of how the Company will communicate AMI deployment to its customers, the availability of opt-out options, and the benefits of AMI for customers.

I move that we approve the Petition as amended by and including the recommendations made by the Office of Regulatory Staff.

PRESIDING: Randall

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER	
BELSER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
ERVIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
HAMILTON	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Absent</u>	sick leave
HOWARD	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
RANDALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
WILLIAMS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		voting via telephone

(SEAL)

RECORDED BY: J. Schmieding



